



**U.S. Department of Justice**

*United States Attorney  
District of Nevada*

*Daniel G. Bogden  
United States Attorney*

*333 Las Vegas Boulevard South  
Suite 5000  
Las Vegas, NV 89101*

*(702) 388-6336  
FAX: (702) 388-6296*

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**PRESS CONTACTS:**  
Natalie Collins, Public Affairs Specialist (702) 388-6508  
District Internet Site - <http://www.usdoj.gov/usao/nv/>

**MAN WHO INDUCED PEOPLE TO INVEST IN WORTHLESS CEMENT COMPANY  
CONVICTED OF SECURITIES AND WIRE FRAUD**

**LAS VEGAS** - - A federal jury convicted a former Las Vegas resident today of wire and securities fraud for inducing people to invest in a worthless cement company and keeping the money for his own benefit, announced Daniel G. Bogden, United States Attorney for the District of Nevada.

Following a one-week trial, **LARRY STOCKETT**, age 59, was convicted this afternoon of one count of Securities Fraud, one count of Interstate Transportation in Execution of a Scheme to Defraud, and two counts of Fraud by Wire. The trial began one week ago before U.S. District Judge Robert C. Jones. He faces up to 20 years in prison and a \$5,000,000 fine on the Securities Fraud charge, up to 20 years in prison and a \$250,000 fine on each Wire Fraud charge, and up to 10 years in prison and a \$250,000 fine on the Interstate Transportation charge.

According to the court records and evidence introduced at trial, from about October 1999 to March 2004, **LARRY STOCKETT** devised a scheme to defraud individuals of money and property by inducing them to invest in a company called "Hightec" and its wholly-owned subsidiary "U.S. Cement," both controlled solely by **STOCKETT**. This scheme involved the dissemination of false and misleading positive information about the company through an internet site, press releases, emails and "infomercials." These false and misleading advertisements stated that U.S. Cement had an

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established cement distribution network, access to millions of dollars in financing, and prominent retail customers. Commonly referred to as a “pump and dump” scheme, the goal was to induce individuals to invest in the company to artificially inflate the value of the stock so **STOCKETT** could “dump” the stock for a profit.

In the false and misleading advertisements, **STOCKETT** told individuals that Hightec, through U.S. Cement, would purchase and import cement from manufacturers in China, Indonesia, and elsewhere overseas. He claimed that Hightec and U.S. Cement possessed the ways and means, including the financing, suppliers, customers, purchase contracts, inventory and technology, necessary to purchase and move cement from overseas to the United States. **STOCKETT’S** representations, misleading statements and omissions were knowingly designed to deceive and mislead investors. In fact, U.S. Cement had no money in its bank account when the first news releases were disseminated, and Hightec’s corporate charter had been revoked by the State of Delaware. **STOCKETT** was unable to produce any written contracts or other evidence of the viability of Hightec or U.S. Cement during a civil investigation by the U.S. Securities and Exchange Commission (SEC), and no evidence of such was uncovered during a search of **STOCKETT’S** residence in Las Vegas.

It was a significant part of the scheme to defraud that from about August 2000 to September 2001, **STOCKETT** and another individual induced a Canadian couple to loan **STOCKETT** approximately \$700,000 to purchase cement and a warehouse for U.S. Cement. They loaned the money based on the false misrepresentations and omissions made about U.S. Cement’s ability and capability to purchase, import and distribute cement. **STOCKETT** did not intend to use the money to

purchase cement and a warehouse, and in fact he used the money to enrich himself. Within weeks of receiving the monies from the Canadian couple, **STOCKETT** had purchased a \$750,000 residence in Henderson, a Jaguar automobile, and other items of luxury, and paid monies toward the purchase of a boat in the Virgin Islands. Prior to receiving the monies from the Canadian couple, **STOCKETT** was residing in an apartment off Paradise Road in Las Vegas.

In January 2003, after **STOCKETT'S** scheme to defraud was uncovered, he fled from the United States to St. Maarten, Netherlands Antilles, and later to Costa Rica, in an effort to escape and evade detection. **STOCKETT** was indicted on the charges in August 2003, and arrested in Costa Rica in February 2004. He was extradited from Costa Rica and returned to Las Vegas to answer the charges in February 2005.

In March 2004, in a civil lawsuit filed by the SEC, the U.S. District Court in Las Vegas found that **STOCKETT** had violated federal securities laws for essentially the same pattern of conduct. The Court issued a permanent injunction against **STOCKETT**, and ordered him to disgorge illegal profits and prejudgment interest totaling \$1,836,181.56, and to pay a civil penalty of \$120,000.

**LARRY STOCKETT'S** sentencing is scheduled for March 13, 2006, at 1:30 p.m. before Judge Jones.

This case is being investigated by Special Agents of the FBI and IRS Criminal Investigation, and prosecuted by First Assistant United States Attorney Steven W. Myhre and Assistant United States Attorney Paul S. Padda.

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